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CADDO ADAIS INDIANS, INC.
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-15-98

Caddo Adais Indians, Inc.
Annual Financial Report
September 30, 1997

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Johnson, Thomas & Cunningham

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UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors of
Caddo Adais Indians, Inc.
Natchitoches, Louisiana

We have audited the accompanying general purpose financial statements of the Caddo Adais Indians, Inc. as of and for the year ended September 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

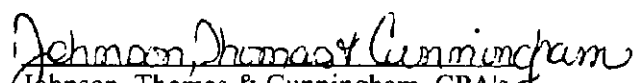
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Caddo Adais Indians, Inc. as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 1998, on our consideration of the Caddo Adais Indians, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Caddo Adais Indians, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information

has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.


Johnson, Thomas & Cunningham, CPA's

March 17, 1998
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

Page 3

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REPORT ON COMPLIANCE AND ON THE INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Caddo Adais Indians, Inc.
Natchitoches, Louisiana

We have audited the financial statements of Caddo Adais Indians, Inc., as of and for the year ended September 30, 1997, and have issued our report thereon dated March 17, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caddo Adais Indians, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo Adais Indians, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Johnson, Thomas & Cunningham, CPA's

March 17, 1998
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS

Caddo Adais Indians, Inc.
Balance Sheet
September 30, 1997

	September 30, <u>1997</u>
<u>Assets</u>	
Current Assets-	
Cash	<u>\$2,499</u>
Total Assets	<u>\$2,499</u>
 <u>Liabilities & Fund Balance</u>	
Liabilities-	
Accounts Payable	<u>\$2,499</u>
Total Liabilities	<u>\$2,499</u>
Fund Balance-	
Unreserved-Undesignated	<u> 0</u>
Total Liabilities & Fund Balance	<u>\$2,499</u>

See notes to financial statements.

Caddo Adais Indians, Inc.
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended September 30, 1997

	<u>1997</u>		Variance-
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:			
Intergovernmental-			
Federal Grants-DHHS	\$65,000	\$65,000	\$ 0
EXPENDITURES:			
Federal-			
Salaries-Personnel	\$36,400	\$36,400	\$ 0
Fringe Benefits	5,460	3,653	1,807
Travel	3,000	3,460	(460)
Equipment & Furniture	4,455	4,692	(237)
Supplies	0	1,022	(1,022)
Other-Translator	0	1,425	(1,425)
Other-Miscellaneous	0	74	(74)
Professional Fees	8,078	7,424	654
Telephone	1,400	1,478	(78)
Rent	3,600	3,600	0
Utilities	605	626	(21)
Maintenance & Repairs	325	312	13
Archival Records Duplication	0	46	(46)
Office & Postage	<u>1,677</u>	<u>788</u>	<u>889</u>
Total Federal Expenditures	\$65,000	\$65,000	\$ 0
Excess (Deficiency) of			
Revenues over Expenditures	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Caddo Adais Indians, Inc.
Notes to Financial Statements
September 30, 1997

1. The Reporting Entity:

Caddo Adais Indians, Inc., was incorporated as a non-profit organization on May 3, 1991, under the laws of the State of Louisiana. The organizations goal is the preparation of the genealogical research necessary for filing a petition for Federal acknowledgment of the Caddo Adais Indians, Inc. as an Indian Tribe.

This report includes all funds which are controlled by Caddo Adais Indians, Inc. Control or dependence was determined on the basis of budget adoption, disbursement authority, and other general oversight responsibility.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of Caddo Adais Indians, Inc., conform to generally accepted accounting principles as applicable to non-profit organizations, and are applied on a consistent basis between periods.

The following is a summary of certain significant accounting policies and practices:

- A. Fund Accounting - The accounts of Caddo Adais Indians, Inc., are organized on the basis of a fund, which is a set of separate self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for based upon the purpose for which they are to be spent and the means by which spending activities are controlled.
- B. Basis of Accounting - The Corporation uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased.
- C. Budgets and Budgetary Accounting - Prior to the beginning of each fiscal year, the budget is prepared by management of the Corporation, and presented to the Board of Directors for approval. Upon approval of the budget, it is formally adopted by resolution, and sent to the proper agencies for approval. After approval by the proper agencies, it is recorded in the books of account.

3. Retirement Commitments:

The Corporation has no pension plan for its employees.

4. Pending Litigation:

Caddo Adais Indians, Inc., has no legal action pending at September 30, 1997.

Caddo Adais Indians, Inc.
Notes to Financial Statements
September 30, 1997

5. Lease Commitments:

Caddo Adais Indians, Inc., leases a building from Rick Harrington. The lease consideration consists of monthly payments of \$300.00 as of the date of this report. Management feels that this lease will continue.

6. Compensation Paid to Board Members:

The members of the Board of Directors receive no compensation for their services.

7. Cash and Investments:

At September 30, 1997 cash and cash investments totaled \$2,499. Bank account balances at September 30, 1997, totaled \$4,654. Of the amounts held in commercial banks, one hundred percent was covered by federal depository insurance.

Cash and investments are categorized below to give an indication of the level of risk assumed by the Corporation at September 30, 1997. Category 1 includes cash that is held by the Corporation, cash and investments that are insured or registered, or investments held by the Corporation or it's brokers in the Corporation's name. Category 2 would include uninsured and unregistered investments for which the securities are held by the broker's dealer's trust department or agent in the Corporation's name. Category 3 would include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Corporation's name.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>	<u>Value</u>
Cash-					
Petty Cash	\$ 0	\$0	\$0	\$ 0	\$ 0
Demand Deposits	<u>4,654</u>	<u>0</u>	<u>0</u>	<u>4,654</u>	<u>4,654</u>
Total	<u>\$4,654</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,654</u>	<u>\$4,654</u>

Caddo Adais Indians, Inc.
Supplementary Schedule of Federal Financial Assistance
Year Ended September 30, 1997

<u>Pass-Through Grantor/Program Title</u>	<u>I.D. Number</u>	<u>Award Amount</u>	<u>Program Income</u>	<u>Current Year Revenues</u>	<u>Current Year Expenditures</u>	<u>Total Expenditures to 9-30-97</u>
Department of Health & Human Services - Native American Programs	90NA161001	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000